

REMARKS/ARGUMENTS

Claims 1-9 are present in this application. By this Amendment, claim 4 has been amended. Reconsideration in view of the above amendments and the following remarks is respectfully requested.

Claims 1-9 were rejected under 35 U.S.C. §103(a) over U.S. Patent No. 5,794,207 to Walker et al. in view of U.S. Patent No. 6,020,632 to Kohls et al. This rejection is respectfully traversed.

The Office Action contends that Walker discloses “the qualifying system reserving a portion of the consumer funding account according to a transaction parameter . . . ,” referring to column 6, lines 13-30 and column 7, lines 58-66. This section in the Walker patent, however, describes the statute of frauds under the Uniform Commercial Code, and the column 7 reference describes unrelated objects of the invention. Certainly, these sections do not disclose the specifically claimed subject matter, and Applicant respectfully submits that this subject matter is in fact lacking in the Walker patent.

A more relevant description in the Walker patent begins at column 8, line 66. In this section, Walker describes that a central controller may require that the buyer provide a credit card number and may also ensure that the buyer has sufficient credit available to cover the purchase price specified in the purchase order by contacting the credit card clearing house. See also the section beginning at column 17, line 27. With reference to Fig. 6, at step 610, the payment processor 230 submits a pre-authorization of the price of the purchase order to the credit card clearing house. Walker describes that this pre-authorization serves to “lock up” a portion of the available credit on the buyer’s credit card.

The use of a credit card, however, can be distinguished from the subject matter of the present invention. In particular, claim 1 defines a step of establishing a consumer funding account by depositing funds in the consumer funding account. Walker's reference to locking up an available credit suggests that Walker does not anticipate any such fund deposit to establish an account. Moreover, claim 1 specifies that the consumer funding account is administered by the qualifying system. The system in the Walker patent does not in any manner administer the credit card accounts of the buyers.

Walker further describes "Payment Preferences" beginning at column 20, line 50 with reference to Fig. 13. Although in this section, Walker references a buyer account 297 "which either stores money transferred by the buyer or serves as a pointer to an account of the buyer outside the system," nowhere does the Walker patents describe that a portion of such an account is reserved according to a transaction parameter or series of parameters. Another section in the Walker patent, beginning at column 22, line 9, describes an escrow account 299 that allows payment to be delayed until the seller completes delivery of the goods. Although an escrow account by its nature would not be administered by the system, nowhere does the Walker patent describe that a portion of funds in the escrow account are "reserved" according to a transaction parameter(s) as claimed.

The Kohls patent does not correct these deficiencies. The Kohls patent rather describes a trading system for fixed-value contracts. Nowhere does the Kohls patent even remotely disclose or suggest a consumer funding account administered by a qualifying system that reserves a portion thereof according to a transaction parameter.

In view of at least these distinctions, Applicant respectfully submits that the rejection of claim 1 is misplaced. Independent claim 7 defines related subject matter in the context of a

computer system for effecting qualifying of a participant over a global network. Claim 8 defines a computer program embodied on a computer-readable medium for qualifying a participant and includes related subject matter. Independent claim 9 also defines related subject matter.

With regard to dependent claims 2, 3, 5 and 6, Applicant submits that these claims are allowable at least by virtue of their dependency on an allowable independent claim.

Claim 4 has been rewritten in independent form. In this context, the Office Action recognizes that Walker lacks the claimed step of reserving separate first and second portions of the consumer funding account corresponding to a required deposit and an amount of funds required to complete the transaction, respectively. (As discussed above, Walker in fact lacks any such reserving step whatsoever.) The Office Action contends, however, that the Kohls patent "discloses these steps in col. 16, lines 36-57." This section in the Kohls patent, however, references Fig. 3 illustrating the steps carried out by a host computer 12 on receipt of a bid order from a client terminal 20. Kohls lacks even a remote reference in this section to reserving separate first and second portions of any such funding account. Although Kohls describes that the bid order is "parsed," the parsing is for "pit ID, transaction type and trader pin number." In column 16, line 48, Kohls describes that the trader's account is temporarily locked so that the funds needed to complete the trade are reserved or withdrawn. This section, however, does not reference separate first and second reserved portions in the trader's account.

Applicant thus respectfully submits that the rejection of claim 4 is also misplaced.

Reconsideration and withdrawal of the rejection are respectfully requested.

In view of the foregoing amendments and remarks, Applicant respectfully submits that the claims are patentable over the art of record and that the application is in condition for allowance. Should the Examiner believe that anything further is desirable in order to place the

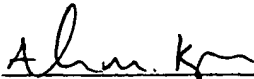
UNDERSTEIN
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application in condition for allowance, the Examiner is invited to contact Applicant's undersigned attorney at the telephone number listed below.

Prompt passage to issuance is earnestly solicited.

Respectfully submitted,

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